



ABN 43 002 724 334
ASX Code: CND

Registered Office:

**Level 9
20 Hunter Street
SYDNEY NSW 2000
Phone (02) 9252 1933
Fax (02) 9235 2709**

15 November 2010

CHAIRMAN'S ADDRESS TO AGM

I would like to make some comments regarding the past year and future directions. FY 2010 displayed a return to underlying earnings of \$3.019M compared to a loss of \$ 8.322M in FY2009. In the main the loss was attributable to an impairment charge on our investment in the Asian business. However FY 2010 was a very difficult trading year for the Group as we assessed our priorities and adjusted our business model to adapt to the external conditions.

I mentioned in the Annual Report, last year was a year of reflection, restructuring and resetting the base for growth in earnings and thus shareholder returns. This process needed the resolve and commitment of the Board and Executive management to undertake the changes required. Although we must always be vigilant the results of this process are now bearing fruit and we feel confident the present fiscal year will be an improvement over 2010. Geoff Moles our MD will provide further commentary in his presentation later in the meeting.

Our IT Recruitment service offering continues to be the dominant generator of revenue and profits within the group. However our financial services, accounting, records management, engineering, office support brands have recovered from the impact of the GFC and now trading much more positively.

The Board has focused much of its attention on capital management, risk management, internal financial reporting, cash flow management and overall medium term strategy. I must commend management for the significant improvement in the cash flow management especially the reduction in the average debtors days outstanding.

Management has exerted considerable energy on improving the company structure to be more client focussed and strengthening the training and systems to provide better quality service more efficiently. They have realigned the Branding of our service offerings and restructured our management reporting regime.

With respect to our Asian business we decided to undertake a major restructure in terms of geographic footprint and the management. Today we have offices in Hong Kong, Shanghai and Beijing. The offices in Singapore and Malaysia were closed. Geoff Moles has spent considerable time in Asia assisting the new management team to focus developing a new sales team and an expanded client base including cross border service offerings to some of our major Australian clients who have significant business in China.

The economic environment within which we operate has improved significantly since two years ago, especially in the permanent recruitment sector. Today there is increased demand for our services from existing and new clients reflected by an improving labour market and signs of a skills shortage.

In the first half of 2010 we raised \$15m from the market including an entitlement issue to shareholders. It was pleasing to note as a result of offering oversubscriptions to our shareholders the response resulted in a successful capital raising. The new equity was utilised to substantially reduce our debt exposure as we strategically have taken a conservative approach to debt management.

It is also pleasing for shareholders we reinstated a dividend for the year of 2.0 cents per share which represented a payout ratio of 54% on diluted earnings per share.

Lawrence Gibbs
Chairman

---END---